

## Message Text

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ORIGIN INT-05

INFO OCT-01 ISO-00 EA-10 IO-13 L-03 SS-15 SP-02  
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APPROVED BY INTERIOR:OMSN:PROSENBLATT  
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FM SECSTATE WASHDC  
TO CINCPACREP GUAM/TTPI IMMEDIATE -

C O N F I D E N T I A L STATE 228364

CINCPACREP GUAM/TTPI: PASS TO SLNO FOR HICOM ACTION

E.O. 11652: GDS-84

TAGS: PGOV, TQ

SUBJECT: TRANSITION CONSULTATIONS

1. THIS JOINT MESSAGE FOR HICOM WINKEL FROM  
ADOTA MILNER AND AMB ROSENBLATT.
2. BELIEVE THERE IS MERIT IN YOUR RESPONDING  
AFFIRMATIVELY TO CFPST REQUEST FOR MULTILATERAL  
TRANSITION CONSULTATIONS ON SAIPAN 18 TO 21 SEPT.  
UNDERSTAND YOUR ULTIMATE RESPONSE CONDITIONAL ON  
(A) FURTHER DISCUSSION WITH AMARAICH ON QUESTION  
OF WHETHER HE PROPOSED 18 SEPT. MEETING IN LIEU  
OF OR IN ADDITION TO TRANSITION DISCUSSIONS SUG-  
GESTED IN AMB'S INVITATION TO SAIPAN PLENARY  
(UNDERSTAND YOU WILL ALSO RECEIVE ADDITIONAL INFO  
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ON CFPST/COM APPROACH AND INTENTIONS FROM DSLNO  
ON HIS RETURN SAIPAN) AND B) DESIRES OF THE OTHER  
POLSTACOMS. WE CONCUR THAT IF EARLIER DATE UN-  
ACCEPTABLE TO THE LATTER EVEN THOUGH PREFERRED  
BY CFPST IT WOULD BE USEFUL--PERHAPS EVEN MORE  
USEFUL--TO CONDUCT BILATERAL TRANSITION DISCUSSIONS  
WITH CFPST ON THE EARLIER DATES.

3. WE BELIEVE THAT OCT 1 WOULD BE BEST EFFECTIVE DATE FOR LEGISLATIVE SEPARATION BUT UNDERSTAND, OF COURSE, THAT LACK OF COM ACTION ON REFERENDUM RESULTS RENDERS THAT DATE AN AWKWARD TOPIC OF DISCUSSION FOR PRESENT PURPOSES. ON THE OTHER HAND, LACK OF STRONG U.S. COMMITMENT TO MIPSC AND PPSC FOR PROMPT LEG SEP WILL LIKELY CAUSE THEM TO DESERT SAIPAN AND UPCOMING PLENARY BEFORE IT STARTS; MIPSC'S POSITION IS THAT THEY WILL NOT DISCUSS THE COMPACT UNLESS WE ARE PREPARED TO UNDERTAKE THAT SECRETARIAL ORDER WILL BE SIGNED DURING NEGOTIATIONS--AND THEY WANT IT TO BE RETROACTIVE TO JULY 13. FYI: VAN CLEVE REPORTS NO DATES WERE STIPULATED TO INTERIOR DURING THEIR MAJURO MEETINGS WITH AMATA KABUA ET AL.

4. WE KNOW THAT COM/CFPST WANTS PROMPT SECINT ORDER CANCELLING NOV REGULAR ELECTIONS AND IT WOULD APPEAR LOGICAL THAT SUCH ORDER BE INCORPORATED IN THE ORDER DECREETING LEG SEP. SINCE TIMING IS ONLY REMAINING QUESTION ON EITHER ISSUE, WE WOULD HOPE THAT THE THREE POLSTACOMS MIGHT BE ENCOURAGED TO COME TO JOINT AGREEMENT ON THAT. ONE POSSIBILITY IS ISSUANCE OF SECINT ORDER AS SOON AS COM CERTIFIES ELECTION RESULTS BUT MAKING EFFECTIVE DATE RE-CONFIDENTIAL

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TROACTIVE TO OCT 1. THIS SOLUTION MAY HAVE ADVANTAGE OF EASING ADMINISTRATIVE PROBLEM ATTENDANT TO FISCAL SEP SINCE 01 OCT BEGINNING OF NEW CALENDAR QUARTER.

5. WE HAVE BEGUN TO GIVE CONSIDERATION TO QUESTION OF WHETHER FINANCIAL RESOURCES FROM EITHER TTG OR USG OUGHT BE MADE AVAILABLE TO COM TO EASE ITS TRANSITION TO GREATLY REDUCED REVENUES. ITS SEEMS POSSIBLE THAT ONLY SUCH STEP WILL RESOLVE GATHERING IMPASSE BETWEEN MIPSC/PPSC'S DESIRE FOR QUICK ACCESS TO OWN REVENUES AND CFPST'S WILLINGNESS TO DELAY REFERENDUM APPROVAL UNTIL IT GETS BEST POSSIBLE FISCAL DEAL - WITH ALL THREE HOLDING STATUS TALKS HOSTAGE TO SATISFACTION OF IMMEDIATE OBJECTIVES. YOUR THOUGHTS SOLICITED. INTERIOR EXTREMELY DUBIOUS ABOUT POSSIBILITY OF GETTING SUCH GRANTS.

6. IF CONSULTATIONS TAKE PLACE 18 - 21 SEPT. CHANCES ARE INCREASED THAT MILNER COULD ATTEND. AMB WOULD LIKE JIM BERG OF OMSN TO ALSO ATTEND WITH SLNO.

7. BELIEVE THE FOLLOWING POINTS SHOULD BE MADE TO ALL PARTICIPANTS WITH YOUR CONCURRENCE:

----A. THERE WILL BE LEGISLATIVE FISCAL SEPARATION AS EARLY AS POSSIBLE FOR THOSE DISTRICTS WHICH REJECTED CFSM.

----B. ON FISCAL SEPARATION, BASIC THEORY IS THAT REVENUES RAISED PURSUANT TO TT CODE WILL REMAIN IN DISTRICT OF ORIGIN EXCEPT FOR CENTRAL DISTRICTS IN WHICH THEY WILL BE ALLOCATED AS BETWEEN DISTRICTS AND COM PURSUANT TO PRESENT TT CODE PROVISIONS. SOME ALLOWANCE WILL BE MADE FOR TERRITORIAL PROGRAMS LIKE SOCIAL SECURITY AND HICOM WILL CONSULT WITH COM/CFPST, CONFIDENTIAL

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MIPSC AND PPSC AFTER ORDER IS ISSUED TO WORK OUT ARRANGEMENTS FOR OTHER COOPERATIVE OPERATIONS WHICH MAY CAUSE A GREATER DIVERSION OF MAR/PAL REVENUES TO COM.

----C. FOR MAR/PAL, PRESENT COM MEMBERS CAN BE ADDED TO DISTRICT LEGISLATURES AS MEMBERS AT LARGE AT LOCAL OPTION THROUGH DISTRICT LEGISLATION. OUR INCLINATION AT PRESENT TIME IS NOT TO CANCEL UPCOMING NITIJELA AND PDL ELECTIONS BECAUSE NEITHER MARSHALLS OR PALAU HAVE YET ADOPTED CONSTITUTIONS AND THEIR EXACT PLANS ARE NOT KNOWN.

----D. FOR COM/CFPST, NOV ELECTIONS WILL BE CANCELLED AND MAR/PAL WILL BE REMOVED FROM SEVENTH CONGRESS. ORDER EFFECTING CANCELLATION WILL BE ISSUED PRIOR NOV ELECTIONS BUT MAY BE DELAYED UNTIL AFTER COM REQUESTED DATE OF 09 OCT IN ORDER THAT SAME ORDER CAN ACCOMPLISH LEG SEP.

----E. LEG SEP ORDER WILL BE INTERIM IN NATURE LOOKING TOWARD A MORE COMPREHENSIVE ORDER EFFECTING IMPLEMENTATION OF THOSE PORTIONS OF THE CFSM AND MAR/PAL CONSTITUTIONS WHICH ARE CONSISTENT WITH TRUSTEESHIP AGREEMENT AND RESPONSIBILITIES OF HICOM AND SECINT.

8. IF OTHER TRANSITION SUBJECTS SUCH AS FED PROGS, ETC ARE RAISED IN MEETING, LISTENING POST APPROACH IS PROBABLY BEST SINCE WE OURSELVES HAVE NOT TALKED AT LENGTH ABOUT THESE. WILL APPRECIATE ANY COMMENTS YOU MAY HAVE ON ABOVE AND ANXIOUS TO HEAR ON RESULTS OF UR TALKS WITH CFPST AND MAR/PAL. CONFIDENTIAL

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## Message Attributes

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